

## Message Text

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PAGE 01 ASUNCI 00778 251221Z  
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 FRB-03 SS-15  
AID-05 OMB-01 CIAE-00 INR-10 NSAE-00 DOE-11 SOE-02  
STR-07 HA-05 DODE-00 NSC-05 /087 W  
-----040218 251228Z /14

R 250900Z FEB 78  
FM AMEMBASSY ASUNCION  
TO SECSTATE WASHDC 2373  
INFO AMEMBASSY BRASILIA  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

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EO 11652: NA  
TAGS: BENC, SHUM, ENRG, PA  
SUBJECT: MAJOR PROJECTS: POWER LINE CONSTRUCTION PROJECTS

REF STATE 04037

2. IN ADDITION TO THE VARIOUS PROJECTS IN BRAZIL TO CONSTRUCT POWER LINES TO TRANSMIT CURRENT FROM ITAIPU, THERE ARE TWO TRANSMISSION LINE PROJECTS IN PARAGUAY. THE FIRST, OR NORTHERN AXIS PROJECT, WILL REQUIRE CONSTRUCTION OF A LINE NORTH FROM CORONEL OVIEDO TO HORQUETA, AND FROM THERE TO PEDRO JUAN CABALLERO AND CONCEPCION. THE SOUTHERN PROJECT WILL CARRY TRANSMISSION LINES DOWN TO ENCARNACION.

2. PLANS FOR THE TRANSMISSION LINES HAVE BEEN DRAWN UP BY THE ADMINISTRACION NACIONAL DE ELECTRICIDAD (ANDE) IN CONSULTATION WITH THE INTER-AMERICAN DEVELOPMENT BANK. INFORMATION CAN BE OBTAINED FROM ING. ENZO DEBERNARDI, PRESIDENT OF THE COUNCIL OF ADMINISTRATION, ANDE, PADRE CARDOZO 560, ASUNCION.

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3. FINANCING FOR THE PROJECTS IS NOT YET DEFINITE. THE FOREIGN EXCHANGE COST OF THE NORTHERN PROJECT IS ESTIMATED AT US \$45 MILLION. ANDE HAD PLANNED TO REQUEST A LOAN OF \$32.8 MILLION FROM THE IDB AND THE REMAINDER FROM COMMERCIAL BANKS. ANDE HOPED THAT THE SOUTHERN PROJECT WOULD START ABOUT 12 MONTHS AFTER THE NORTHERN PART WITH SIMILAR FINANCING. THE

GOP, WHEN INFORMED IN DECEMBER THAT THE US PLANNED TO VETO THE PARAGUAYAN LOAN APPLICATION WITH THE IDB, WITHDREW ITS REQUEST. THERE HAS BEEN NO PROGRESS SINCE THAT DATE ON FINANCING. PRESUMABLY THE GOP IS STILL UNDECIDED AS TO WHETHER IT SHOULD GO TO COMMERCIAL BANKS FOR ALL THE NEEDED FUNDS OR WHETHER IT WOULD TAKE ACTION TO IMPROVE ITS HUMAN RIGHTS RECORD AND AGAIN APPLY TO THE IDB.

4. THE PRESIDENT OF ANDE, MR. DEBERNARDI, HAS INFORMED REPRESENTATIVES OF THE US COMPANIES THAT THE ATTITUDE OF ANDE TOWARD US SUPPLIERS AND ENGINEERING FIRMS WILL BE AFFECTED BY US ACTION IN THE IDB TOWARD THIS LOAN APPLICATION.  
BRIGGS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, ELECTRIC POWER  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ASUNCIO0778  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780088-0074  
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**Message ID:** b3a4b5cf-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 4037  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3477396  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECTS: POWER LINE CONSTRUCTION PROJECTS  
**TAGS:** BENC, SHUM, ENRG, PA  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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